

INDEX FOR CASE: 99-154 )  
CALDWELL COUNTY WATER DISTRICT  
Construct, Finance, Rates; 278.023

IN THE MATTER OF THE APPLICATION OF CALDWELL COUNTY WATER  
DISTRICT OF CALDWELL COUNTY, KENTUCKY, FOR A CERTIFICATE OF  
PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT, FINANCE AND  
INCREASE RATES PURSUANT TO KRS 278.023

SEQ NBR	ENTRY DATE	REMARKS
0001	04/14/99	Application.
0002	04/16/99	Acknowledgement letter.
0003	04/22/99	No deficiency letter.
0004	05/14/99	Final Order granting Certificate to construct, approving financing and rates.

**CASE  
NUMBER:**

99 - 154



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 99-154  
CALDWELL COUNTY WATER DISTRICT

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on May 14, 1999.

See attached parties of record.

*Stephanie D. Bell*  
Secretary of the Commission

SB/hv  
Enclosure

Mr. Thomas G. Fern  
State Director  
Rural Development  
771 Corporate Drive, Suite 200  
Lexington, KY. 40503 5477

Mr. Jerry Cloud  
Rural Development  
320 B Traylor Street  
Princeton, KY. 42445

Mr Harley Lowery  
Manager  
Caldwell County Water District  
1018 B West Main Street  
Princeton, KY. 45455

Mr. Stephen J. Globo  
J.T. Blankinship and Associates  
401 South 17th Street  
P. O. Box 40  
Murphysboro, IL. 62966

Honorable Bill W. Adams  
Attorney at Law  
100 East Court Square  
P. O. Box 721  
Princeton, KY. 42455

Honorable W. Randall Jones  
Attorney at Law  
Rubin & Hays  
First Trust Centre  
200 South Fifth Street  
Louisville, KY. 40202

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CALDWELL COUNTY )  
WATER DISTRICT OF CALDWELL COUNTY, )  
KENTUCKY, FOR A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY TO ) CASE NO. 99-154  
CONSTRUCT, FINANCE AND INCREASE RATES )  
PURSUANT TO KRS 278.023 )

O R D E R

On April 14, 1999, Caldwell County Water District ("Caldwell District") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$1,704,500 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project will provide new service to 220 additional customers. Project funding is an \$800,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Development ("RD"), an \$800,000 grant from the RD, and a \$104,500 contribution from the Applicant.

Caldwell District's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing

requirements were met in this case on April 14, 1999, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Caldwell District is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Caldwell District's proposed plan of financing with RD is accepted.

3. Caldwell District is authorized to issue bonds not to exceed \$800,000.

4. Caldwell District shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

6. Caldwell District shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

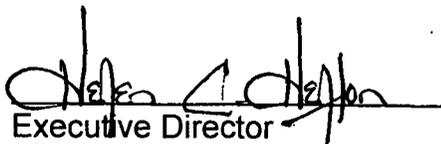
7. Three years from the effective date of this Order Caldwell District shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 14th day of May, 1999.

By the Commission

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 99-154 DATED MAY 14, 1999

The following rates and charges are prescribed for the customers in the area served by Caldwell County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	1,000 gallons	\$ 16.50	Minimum bill
Next	3,000 gallons	7.75	per 1,000 gallons
Next	6,000 gallons	6.00	per 1,000 gallons
Next	20,000 gallons	4.25	per 1,000 gallons
Over	30,000 gallons	3.50	per 1,000 gallons

Connection Fee \$600.00



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

April 22, 1999

To: All parties of record

RE: Case No. 99-154  
CALDWELL COUNTY WATER DISTRICT

The Commission staff has reviewed your application in the above case and finds that it meets the minimum filing requirements. Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell  
Secretary of the Commission

SB/sh  
Enclosure



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

April 16, 1999

To: All parties of record

RE: Case No. 99-154  
CALDWELL COUNTY WATER DISTRICT  
(Construct, Finance, Rates; 278.023)

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received April 14, 1999 and has been assigned Case No. 99-154. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

*Stephanie J. Bell*  
Stephanie Bell  
Secretary of the Commission

SB/jc

Mr. Thomas G. Fern  
State Director  
Rural Development  
771 Corporate Drive, Suite 200  
Lexington, KY. 40503 5477

Mr. Jerry Cloud  
Rural Development  
320 B Traylor Street  
Princeton, KY. 42445

Mr Harley Lowery  
Manager  
Caldwell County Water District  
1018 B West Main Street  
Princeton, KY. 45455

Mr. Stephen J. Globo  
J.T. Blankinship and Associates  
401 South 17th Street  
P. O. Box 40  
Murphysboro, IL. 62966

Honorable Bill W. Adams  
Attorney at Law  
100 East Court Square  
P. O. Box 721  
Princeton, KY. 42455

Honorable W. Randall Jones  
Attorney at Law  
Rubin & Hays  
First Trust Centre  
200 South Fifth Street  
Louisville, KY. 40202

# Rubin & Hays

ATTORNEYS AT LAW

First Trust Centre, 200 South Fifth Street, Louisville, Kentucky 40202-3236  
Telephone (502) 569-7525 Telefax (502) 569-7555 Email: rh@rubinhays.com

CHARLES S. MUSSON  
W. RANDALL JONES  
CHRISTIAN L. JUCKETT

OF COUNSEL  
WM. CARL FUST

PARALEGAL  
MARY M. EMBRY

April 12, 1999

RECEIVED  
APR 14 1999  
PUBLIC SERVICE  
COMMISSION

Ms. Helen C. Helton  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

Re: Caldwell County Water District **CASE 99-154**

Dear Ms. Helton:

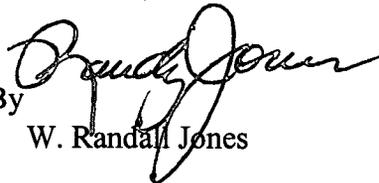
Enclosed please find the original and ten (10) copies of the Application of the Caldwell County Water District for a Certificate of Public Convenience and Necessity to construct, finance and increase rates pursuant to KRS 278.023.

Also enclosed are eleven (11) copies of the exhibits required pursuant to 807 KAR 5.069, with the exception of the Preliminary and Final Engineering Reports, of which two copies are enclosed.

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By   
W. Randall Jones

WRJ:jkm  
Enclosures  
cc: Distribution List

**DISTRIBUTION LIST**

Account No. 494.0000

Re: Caldwell County Water District Waterworks Revenue Bonds, Series 1999 Phase III

Mr. Thomas G. Fern  
State Director  
Rural Development  
771 Corporate Drive, Suite 200  
Lexington, Kentucky 40503-5477

Telephone: (606) 224-7336

Mr. Jerry Cloyd  
Rural Development  
320 B Traylor Street  
Princeton, Kentucky 42445

Telephone: (502) 365-7144

Mr. Harley Lowery, Manager  
Caldwell County Water District  
1018 B West Main Street  
Princeton, Kentucky 42445

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Fax: (502) 569-7555

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

RECEIVED  
APR 14 1999  
PUBLIC SERVICE  
COMMISSION

In the Matter of:

**THE APPLICATION OF CALDWELL COUNTY WATER )  
DISTRICT OF CALDWELL COUNTY, KENTUCKY, )  
FOR A CERTIFICATE OF PUBLIC CONVENIENCE ) CASE NO. 99-154  
AND NECESSITY TO CONSTRUCT, FINANCE )  
AND INCREASE RATES PURSUANT TO KRS 278.023. )**

**FILED**

APR 14 1999

PUBLIC SERVICE  
COMMISSION

**APPLICATION**

This Application of the Caldwell County Water District ("Applicant") of Caldwell County, Kentucky, respectfully shows:

1. That Applicant is a water district of Caldwell County, Kentucky, created and existing under and by virtue of Chapter 74 of the Kentucky Revised Statutes.

2. That the post office address of Applicant is:

Caldwell County Water District  
c/o Mr. Scott Woford, Chairman  
1018 B West Main Street  
Princeton, Kentucky 42445

3. That Applicant, pursuant to the provisions of KRS 278.020 and 278.023, seeks (i) a Certificate of Public Convenience and Necessity, permitting Applicant to construct a waterworks construction project, consisting of extensions, additions, and improvements (the "Project") to the existing waterworks system of Applicant; (ii) an Order approving increased rates; and (iii) approval of the proposed plan of financing said Project.

4. The project consists of the installation of approximately 37 miles of 4, 6 and 10 inch water lines with appurtenances and the renovation of the pump station on Kentucky Route 91.

5. That Applicant proposes to finance the construction of the Project through (i) the issuance of \$800,000 of its Waterworks Revenue Bonds, (ii) a Rural Development ("RD") Grant in the amount of \$800,000, and (iii) an Applicant contribution in the amount of \$104,500. Applicant has a commitment from the RD to purchase said \$800,000 of bonds maturing over a 40-year period,

at an interest rate of not exceeding 4.50% per annum, as set out in the RD Letter of Conditions filed herewith as an Exhibit.

6. That Applicant does not contemplate having the Project constructed with any deviation from minimum construction standards of this Public Service Commission.

7. That Applicant files herewith the following Exhibits pursuant to 807 KAR 5:069 in support of this Application:

- A. Copy of RD Letter of Conditions, as amended.
- B. Copy of RD Letter of Concurrence in Bid Award.
- C. Copy of Preliminary and Final Engineering Reports.
- D. Certified statement from the Chairman of Applicant, based upon statements of the Engineers for Applicant, concerning the following:
  - (1) The proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066 Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1) and Section 10;
  - (2) All other state approvals or permits have already been obtained;
  - (3) The proposed rates of Applicant shall produce the total revenue requirements set out in the engineering reports; and
  - (4) Setting out the dates when it is anticipated that construction will begin and end.

8. That Applicant has arranged for the publication, prior to or at the same time this Application is filed, of a Notice of Proposed Rate Increase pursuant to Section 4 of 807 KAR 5:069, in *The Times Leader*, which is the newspaper of general circulation in Applicant's service area and in Caldwell County, Kentucky. Said Notice sets out the current rates and the proposed rates of Applicant and a short description of the Project. A copy of said Notice is filed herewith as an Exhibit.

9. That the foregoing constitutes the documents necessary to obtain the approval of the Public Service Commission in accordance with Section 278.023 of the Kentucky Revised Statutes and in accordance with the "Minimum Filing Requirements" specified in 807 KAR 5:069, Section 3.

WHEREFORE, Applicant, the Caldwell County Water District, asks that the Public Service Commission of the Commonwealth of Kentucky grant to Applicant the following:

- a. A Certificate of Public Convenience and Necessity permitting Applicant to construct a waterworks project consisting of extensions, additions, and improvements to the existing waterworks system of Applicant.
- b. An Order approving the financing arrangements made by Applicant, viz., the issuance of (i) \$800,000 of Caldwell County Water District Waterworks Revenue Bonds at an interest rate of not exceeding 4.50% per annum, (ii) an RD Grant in the amount of \$800,000 and (iii) an Applicant contribution in the amount of \$104,500.
- c. An Order approving the proposed increased rates as set out in Section 22 of the Amended RD Letter of Conditions filed herewith as an Exhibit.

CALDWELL COUNTY WATER DISTRICT

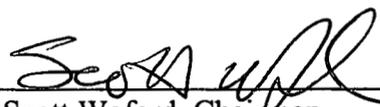
By:   
Chairman  
Board of Water Commissioners

  
W. Randall Jones, Esq.  
Rubin & Hays  
Counsel for Applicant  
First Trust Centre  
200 South Fifth Street  
Louisville, Kentucky 40202  
(502) 569-7534

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF CALDWELL )

The undersigned, Scott Woford, being duly sworn, deposes and states that he is the Chairman of the Board of Commissioners of the Caldwell County Water District, Applicant, in the above proceedings; that he has read the foregoing Application and has noted the contents thereof; that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, he believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this March 31, 1999.

  
\_\_\_\_\_  
Scott Woford, Chairman  
Caldwell County Water District

Subscribed and sworn to before me by Scott Woford, Chairman of the Board of Commissioners of the Caldwell County Water District, on this March 31, 1999.

My Commission expires: July 15, 1999.

  
\_\_\_\_\_  
Notary Public



United States  
Department of  
Agriculture

Rural  
Development

771 Corporate Drive, Suite 200  
Lexington, KY 40503-5477  
(606) 224-7336 TTY(606) 224-7422

December 19, 1997

Mr. Scott Woford  
Chairman, Caldwell County Water District  
Princeton, Kentucky 42445

Dear Mr. Woford:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to the application. The (loan and/or grant) will be administered on behalf of the Rural Utilities Service (RUS) by the State and District office staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application. It should also be understood that Rural Development is under no obligation to provide additional funds to meet an overrun in construction costs.

This letter is not to be considered as loan or grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed \$800,000 and a RUS grant not to exceed \$800,000.

If Rural Development makes the loan, you may make a written request that the interest rate be the lower of the rate in effect at the time of loan approval or the time of loan closing. If you do not request the lower of the two interest rates, the interest rate charged will be the rate in effect at the time of loan approval. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. If you want the lower of the two rates, your written request should be submitted to Rural Development as soon as practical. In order to avoid possible delays in loan closing, such a request should ordinarily be submitted at least 30 days before loan closing.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," if you desire that further consideration be given to your application.

The "Letter of Intent to Meet Conditions" must be executed within three weeks from the date of this letter or it becomes invalid unless a time extension is granted by Rural Development.

If the conditions set forth in this letter are not met within 240 days from the date hereof, Rural Development reserves the right to discontinue the processing of the application.

In signing Form RD 1942-46, you are agreeing to complete the following as expeditiously as possible:

1. Number of Users and Their Contribution:

There shall be 895 water users, of which 675 are existing users and 220 are new users contributing \$104,500 in connection fees toward the cost of the project. The connection fees will be collected prior to advertising for construction bids and will be placed in the construction account at loan pre-closing, unless spent for authorized purposes prior to loan pre-closing. The Rural Development Manager will review and authenticate the number of users and amount of connection fees prior to advertising for construction bids.

1a. Grant Agreement:

Attached is a copy of RUS Bulletin 1780-12, "Water and Waste System Grant Agreement," for your review. You will be required to execute a completed form at the time of grant closing.

1b. Drug-Free Work Place:

Prior to grant approval, the Water District will be required to execute Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - For Grantees Other Than Individuals."

2. Repayment Period:

The loan will be scheduled for repayment over a period not to exceed 40 years from the date of the bond. Principal payment will not be deferred for a period in excess of two (2) years from the date of the bond. Payments will be in accordance with applicable KRS which requires interest to be paid semi-annually (January 1st and July 1st) and principal will be due on or before the first of January. Rural Development may require the Water District to adopt a supplemental payment agreement providing for monthly payments of principal and interest so long as the bond is held or insured by RUS. Monthly payments will be approximate amortized installments.

Rural Development encourages the use of the Preauthorized Debit (PAD) payment process, which authorizes the electronic withdrawal of funds from your bank account on the exact installment payment due date (contact the Rural Development Manager for further information).

3. Funded Depreciation Reserve Account:

The Water District will be required to deposit \$370.00 per month into a "Funded Depreciation Reserve Account". The monthly deposits are for the life of the loan.

The required deposits to the Reserve Account are in addition to the requirements of the Water District's prior bond resolutions.

The annual deposit to the Reserve Account are required to commence the first full fiscal year after the facility becomes operational.

4. Security Requirements:

A pledge of gross water revenue will be provided in the Bond Resolution. Bonds shall rank on a parity with existing bonds.

5. Land Rights and Real Property:

The Water District will be required to furnish satisfactory title, easements, etc., necessary to install, maintain and operate the facility to serve the intended users. The pipelines will be on private rights-of-way where feasible. State and County rights-of-way will be used only in instances where necessary and properly justified. Easements and options are to be secured prior to advertising for construction bids.

6. Organization:

The Water District will be legally organized under applicable KRS which will permit them to perform this service, borrow and repay money.

7. Business Operations:

The Water District will be required to operate the system under a well-established set of resolutions, rules and regulations. A budget must be established annually and adopted by the Water District after review by Rural Development. At no later than loan pre-closing, the Water District will be required to furnish a prior approved management plan to include, as a minimum, provisions for management, maintenance, meter reading, miscellaneous services, billing, collecting, bookkeeping, making and delivering required reports and audits.

8. Accounts, Records and Audits:

The Water District will be required to maintain adequate records and accounts and submit annual budgets and year-end reports (annual audits) in accordance with subsection 1780.47 of RUS Instruction 1780 and RUS Staff Instruction 1780-4, a copy of which is enclosed.

9. Accomplish Audits for Years in Which Federal Financial Assistance is Received:

The Water District will accomplish audits in accordance with OMB Circular A-133, during the years in which federal funds are received. The Water District will provide copies of the audits to the District Office and the appropriate Federal cognizant agency as designated by OMB Circular A-133.

10. Insurance and Bonding:

The following insurance and bonding will be required:

- A. Adequate Liability and Property Damage Insurance including vehicular coverage, if applicable, must be obtained and maintained by the Water District. The Water District should obtain amounts of coverage as recommended by its attorney, consulting engineer and/or insurance provider.
- B. Worker's Compensation - The Water District will carry worker's compensation insurance for employees in accordance with applicable state laws.
- C. Fidelity Bond - The Water District will provide Fidelity Bond Coverage for all persons who have access to funds. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required for all RUS loans is \$125,000.
- D. Real Property Insurance - The Water District will obtain and maintain adequate fire and extended coverage on all structures including major items of equipment or machinery located in the structures. The amounts of coverage should be based on recommendations obtained by the Water District from its attorney, consulting engineer and/or insurance provider. Subsurface lift stations do not have to be covered except for the value of electrical and pumping equipment therein.
- E. Flood Insurance - The Water District will obtain and maintain adequate coverage on any facilities located in a special flood and mudslide prone areas.

11. Planning and Performing Development:

- A. The engineer should not be authorized to commence work on final plans and specifications until a determination has been made that the project can be planned and constructed within the estimated cost shown in paragraph "20" of this letter. When this determination has been made, Rural Development should be so advised by letter. The engineer may then proceed to develop final plans and specifications to be completed no later than 210 days from this date, and prepare bid documents. The Rural Development Manager is prepared to furnish the necessary guide for him to follow so as to keep the project plans and documents within our guidelines and requirements. The project should not be advertised for construction bids until all easements and enforceable options have been obtained, and total funds are

B. The following documents will be submitted to Rural Development for review and must be concurred in by Rural Development prior to advertisement for construction bids:

1. Final plans, specifications and bid documents.
2. Applicant's letter on efforts to encourage efforts to encourage small business and minority-owned business participation.
3. Legal Service Agreements.
4. Engineering Agreements.

Revision in these documents will be subject to Rural Development concurrence. Any agreements, contracts, etc. not reviewed and approved by Rural Development will not be eligible for payment from project funds or revenues from facilities financed by this Agency.

Prior to receipt of an authorization to advertise for construction bids, the Water District will obtain advance clearance from Bond Counsel regarding compliance with KRS 424 pertaining to publishing of the advertisement for construction bids in local newspapers and the period of time the notice is required to be published.

12. Compliance with Section 504 of the Rehabilitation Act of 1973:

The Water District will be required to comply with Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), in order to make sure no handicapped individual, solely by reason of their handicap, is excluded from participation in the use of the water system, be denied the benefits of the water system, or be subjected to discrimination.

13. Closing Instructions:

The Office of General Counsel, our Regional Attorney, will be required to write closing instructions in connection with this loan. Conditions listed therein must be met by the Water District.

14. Compliance with Special Laws and Regulations:

The Water District will be required to conform with any and all state and local laws and regulations affecting this type project.

15. System Operator:

The Water District is reminded that the or system operator must have an Operator's Certificate issued by the State.

16. Prior to Pre-Closing the Loan, the Water District will be Required to Adopt:

A. Form RD 1942-47, "Association Loan Resolution (Public Body)."

- C. Form RD 400-4, "Assurance Agreement."
- D. Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transaction."
- E. Form RD 1910-11, "Applicant Certification Federal Collection Policies for Consumer or Commercial Debts."
- F. FmHA Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."

The Water District must offer the opportunity for all residents in the service area to become users of the facilities regardless of race, creed, color, religion, sex, national origin, marital status, physical or mental handicap or level of income.

17. Refinancing and Graduation Requirements:

The Water District is reminded that if at any time it shall appear to the Government that the Water District is able to refinance the amount of the RUS indebtedness then outstanding, in whole or in part, by obtaining a loan from commercial sources at reasonable rates and terms, upon the request of the Government, the Water District will apply for and accept such loan in sufficient amount to repay the Government.

18. Commercial Interim Financing:

The Water District will be required to use commercial interim financing for the project during construction for the RUS loan portion of the financing, if available at reasonable rates and terms.

Before the loan is closed, the Water District will be required to provide Rural Development with statements from the contractor, engineer and attorneys that they have been paid to date in accordance with their contract or other agreements and, in the case of the contractor, that he has paid his suppliers and sub-contractors.

19. Disbursement of Project Funds:

A construction account for the purpose of disbursement of project funds (RUS) will be established by the Water District prior to start of construction. The position of officials entrusted with the receipt and disbursement of RUS project funds will be covered by a "Fidelity Bond," with USDA-Rural Development as Co-Obligee, in the amount of construction funds on hand at any one time during the construction phase.

During construction, the Water District shall disburse project funds in a manner consistent with subsection 1780.76 (e) of RUS Instruction 1780. Form RD 1924-18, "Partial Payment Estimate," or similar form approved by Rural Development, shall be used for the purpose of documenting periodic construction estimates, and shall be submitted to Rural Development for review and acceptance. Prior to disbursement of funds by the Water District, the Board of Directors shall review and approve each payment estimate. All bills and vouchers must be approved by Rural Development prior to payment by the Water District.

Form RD 440-11, "Estimate of Funds Needed for 30-Day Period Commencing \_\_\_\_\_," will be prepared by the Water District and submitted to Rural Development in order that a periodic advance of federal cash may be requested.

Monthly audits of the Water District's construction account records shall be made by Rural Development.

20. Cost of Facility:

Breakdown of Costs:

Development	\$ 1,216,600
Land and Rights	15,000
Legal and Administrative	22,000
Engineering	185,000
Interest	40,000
Contingencies	<u>225,900</u>
<b>TOTAL</b>	<b>\$ 1,704,500</b>

Financing:

RUS Loan	\$ 800,000
RUS Grant	800,000
Applicant Contribution	<u>104,500</u>
<b>TOTAL</b>	<b>\$ 1,704,500</b>

21. Use of Remaining Project Funds:

The applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining project funds will be considered to be RUS grant funds and refunded to RUS. If the amount of unused grant funds exceeds the grant, that part would be RUS loan funds.

22. Rates and Charges:

Rates and charges for facilities and services rendered by the Water District must be at least adequate to meet cost of maintaining, repairing and operating the water system and meeting required principal and interest payments and the required deposits to debt service.

Water rates will be at least:

First 1,000 gallons @ \$14.50 - Minimum Bill.  
Next 2,000 gallons @ \$ 6.00 - per 1,000 gallons.  
Next 7,000 gallons @ \$ 4.50 - per 1,000 gallons.  
Next 20,000 gallons @ \$ 3.00 - per 1,000 gallons.  
All Over 30,000 gallons @ \$ 1.80 - per 1,000 gallons.

23. Water Purchase Contract:

The Water District will submit a Water Purchase Contract for approval by Rural Development before advertising for construction bids. If the contract is not on Form RD 442-30, "Water Purchase Contract," the contract will require approval by our Regional Attorney. The contract must meet the requirements of subsection 1780.62 of RUS Instruction 1780.

24. Floodplain Construction:

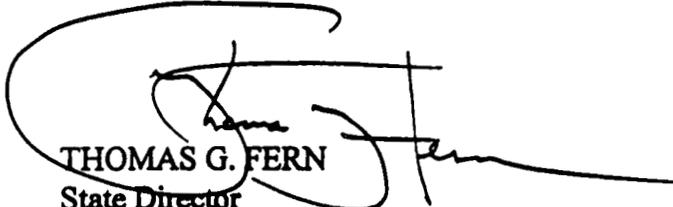
The Water District will be required to pass and adopt a Resolution or amend its By-Laws whereby the Water District will deny any water service to any future customer wishing to build on or develop property located within a designated floodplain. If a customer or developer requests service for construction in a designated floodplain, the customer or developer must provide evidence and a justification for approval by the Water District and Rural Development officials that there are no other alternatives to construction or development within the designated floodplain. The community must be a participant in the National Flood Insurance Program (NFIP) and the customer or developer must obtain the required permits prior to the tap on restrictions being waived.

25. Final Approval Conditions:

Final approval of this loan will depend on your willingness, with the assistance of all your co-workers, to meet the conditions of this letter in an orderly and systematic manner. Then too, final approval will depend on funds being available.

If you desire to proceed with your application, the Rural Development Manager will allot a reasonable portion of his time to provide guidance in application processing.

Sincerely,



THOMAS G. FERN  
State Director  
Rural Development

Enclosures

cc: Rural Development Manager - Princeton, KY  
Community Development Manager - Madisonville, KY  
Pennyrile ADD - Hopkinsville, KY  
Bill W. Adams - Princeton, KY  
Rubin and Hays - Louisville, KY  
J.T. Blankenship - Murphysboro, IL  
PSC - ATTN: Claude Rhorer - Frankfort, KY



March 23, 1999

Mr. Scott Woford, Chairman  
Caldwell County Water District  
1018 B West Main Street  
Princeton, Kentucky 42445

Re: Letter of Conditions Dated December 19, 1997

Dear Mr. Woford:

This letter shall serve as Amendment No. 1 to your Letter of Conditions dated December 19, 1997. The purpose of the amendment is to revise the water user rates and charges.

Paragraph numbered "22" is revised to read as follows:

22. Rates and Charges:

Rates and charges for facilities and services rendered by the Water District must be at least adequate to meet cost of maintaining, repairing and operating the water system and meeting required principal and interest payments and the required deposits to debt service and/or depreciation reserve.

Water rates will be at least:

First	1,000	gallons @ \$	16.50 - Minimum Bill.
Next	3,000	gallons @ \$	7.75 - per 1,000 gallons.
Next	6,000	gallons @ \$	6.00 - per 1,000 gallons.
Next	20,000	gallons @ \$	4.25 - per 1,000 gallons.
All Over	30,000	gallons @ \$	3.50 - per 1,000 gallons.

The cost for a new connection tap fee shall be \$ 600.00.

Paragraph number "26" is added to read as follows:

26. Operational Costs and Reporting:

The operation and maintenance costs for the water system are approximately \$265.00 per customer. This is at least \$45.00 to \$50.00 per customer higher than for similar systems. The Board of Commissioners and management is hereby requested to review the operational costs of the water system with the emphasis toward reducing operational cost. This may include the merger or consolidation of the water system to reduce the fixed cost of operation. The District further agrees to submit at least quarterly income and expense statements until discontinued by the Rural Development Area Office.

All other provisions of the referenced Letter of Conditions remain in full force and unchanged.

Sincerely,

  
THOMAS G. FERN  
State Director  
Rural Development

cc: Rural Development Manager - Princeton, Kentucky  
Community Development Manager - Princeton, Kentucky  
Pennyrile ADD - Hopkinsville, Kentucky  
Bill W. Adams - Princeton, Kentucky  
✓ Rubin and Hays - Louisville, Kentucky  
J.T. Blankinship - Murphysboro, Illinois  
PSC - ATTN: Claude Rhorer - Frankfort, Kentucky



United States  
Department of  
Agriculture

Rural  
Development

771 Corporate Drive, Suite 200  
Lexington, KY 40503-5477  
(606) 224-7336 TTY(606) 224-7422

February 24, 1999

SUBJECT: Caldwell County Water District  
Phase III Improvements - Contracts A and B  
Concurrence in Contract Award

TO: Rural Development Manager  
Princeton, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of Contract A, Waterlines, to the low bidder, Ross Construction, Inc., in the amount of \$1,327,755.45 and Contract B, Water Main Cleaning, to the low bidder, Flowmore Services, in the amount of \$43,320.00.

for THOMAS G. FERN  
State Director  
Rural Development

cc: J.T. Blankinship and Associates  
Murphysboro, Illinois

✓ Rubin and Hays  
Louisville, Kentucky

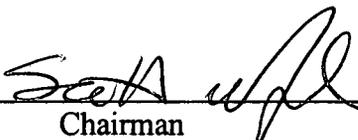
**CERTIFICATE OF CHAIRMAN OF CALDWELL COUNTY WATER DISTRICT,  
AS TO STATEMENT REQUIRED BY SECTION 3(2)(D) OF 807 KAR 5:069**

I, Scott Woford, hereby certify that I am the duly qualified and acting Chairman of the Caldwell County Water District, and that said District is in the process of arranging to finance the construction of extensions, additions and improvements to the existing waterworks system of the District (the "Project"), in cooperation with J.T. Blankinship & Associates, Murphysboro, Illinois, the Engineers for the District (the "Engineers").

Based on information furnished to me by said Engineers for the District, I hereby certify as follows:

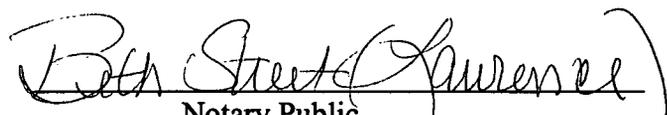
1. That the proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066 Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1) and Section 10.
2. That all other state approvals and/or permits have already been obtained.
3. That the rates proposed by the District in its current Application filed with the Public Service Commission of Kentucky are contemplated to produce total revenue requirements set out in the Engineering Reports prepared by such Engineers and filed with the Public Service Commission.
4. That it is now contemplated that construction of the Project will begin on or about May 1, 1999, and will end on or about May 1, 2000.

IN TESTIMONY WHEREOF, witness my signature this March 31, 1999.

  
\_\_\_\_\_  
Chairman  
Caldwell County Water District

STATE OF KENTUCKY    )  
                                  ) SS  
COUNTY OF CALDWELL )

Subscribed and sworn to before me by Scott Woford, Chairman of the Board of Commissioners of the Caldwell County Water District, on this March 31, 1999.

  
\_\_\_\_\_  
Notary Public  
In and For Said State and County

(Seal of Notary)

## NOTICE OF PROPOSED RATE INCREASE

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set out in 807 KAR 5:069, Section 4, notice is hereby given to the customers of the Caldwell County Water District, of an increase to the District's rate schedule as set forth herein.

The proposed rate increase is required by the United States Department of Agriculture, acting by and through the Rural Development, in connection with a loan by the RD to the District in the amount of \$800,000 to be evidenced by the issuance by the District of its Waterworks Revenue Bonds in such amount, which the RD has agreed to purchase provided the District meets certain conditions of the RD, including increasing water rates as set forth below:

### Current Monthly Rates

First 1,000 gallons	\$14.50 minimum bill
Next 2,000 gallons	6.00 per 1,000 gallons
Next 7,000 gallons	4.50 per 1,000gallons
Next 20,000 gallons	3.00 per 1,000 gallons
All over 30,000 gallons	1.80 per 1,000 gallons
Current Connection Fee	\$475.00

### Proposed Monthly Rates

First 1,000 gallons	\$16.50 minimum bill
Next 3,000 gallons	7.75 per 1,000 gallons
Next 6,000 gallons	6.00 per 1,000gallons
Next 20,000 gallons	4.25 per 1,000 gallons
All over 30,000 gallons	3.50 per 1,000 gallons
Proposed Connection Fee	\$600.00

The RD loan proceeds will be used in conjunction with an RD Grant in the amount of \$800,000 and a contribution from the District in the amount of \$104,500 to finance the cost of extensions, additions and improvements to the existing waterworks system of the District, consisting of the installation of approximately 37 miles of 4, 6 and 10 inch water lines with appurtenances and the renovation of the pump station on Kentucky Route 91.

Signed: Scott Woford, Chairman  
Caldwell County Water District

AFFIDAVIT OF PUBLICATION OF  
NOTICE OF PROPOSED RATE INCREASE

I, \_\_\_\_\_, hereby certify that I am \_\_\_\_\_ of *The Times Leader*, that said newspaper is the newspaper having the largest bona fide circulation which is published in the City of Princeton, Kentucky, and which is published in Caldwell County, Kentucky, and that said newspaper is the newspaper published in said County meeting the requirements of Sections 424.110 and 424.120 of the Kentucky Revised Statutes for official publications required to be made by said County and for official publications required to be made by the Caldwell County Water District, there being no newspaper meeting such requirements which is published within the boundaries of said District.

I certify that the attached copy of a Notice of Proposed Rate Increase is a true copy of said Notice as published in said newspaper on April 7, 1999.

IN TESTIMONY WHEREOF, witness my signature this \_\_\_\_ day of April, 1999.

*THE TIMES LEADER*

By \_\_\_\_\_

Subscribed and sworn to before me on this \_\_\_\_ day of March, 1999.

My Commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
Caldwell County, Kentucky

(Seal of Notary)

# FINAL ENGINEERING REPORT

PROJECT DESCRIPTION: Water Distribution System Expansion - Phase III

OWNER-SPONSOR: Caldwell County Water District

OWNER FUNDS	\$	<u>104,500</u>	Source	<u>Tap Fees</u>
		800,000		RD Grant
GRANTS-IN-AID	\$	<u>800,000</u>	Source	<u>RD Loan</u>

TOTAL FUNDS AVAILABLE..... \$ 1,704,500

CONSTRUCTION SUMMARY:

1. Lands & Rights-of-Way..... \$ 15,000

2. Construction:

Contract A \$ 1,327,755

Contract B \$ 43,320

Contract \_\_\_\_\_ \$ \_\_\_\_\_

TOTAL..... \$ 1,371,075

3. Contingency..... \$ 68,554

4. Engineering Services:

Preliminary Expenses.....	\$	<u>19,000</u>
Basic Fee.....	\$	<u>106,300 (7.75%)</u>
Bidding & Negotiating.....	\$	<u>0</u>
Subsurface Investigation.....	\$	<u>6,000</u>
Archeological.....	\$	<u>0</u>
Construction Layout & Testing.....	\$	<u>4,600</u>
Resident Engineering Inspection.....	\$	<u>58,000 (4.23%)</u>
Additional Services.....	\$	<u>6,000</u>

TOTAL..... \$ 199,900

5. Interest During Construction..... \$ 31,971 (Estimated)

6. Bond Discount ( \_\_\_\_\_ %)..... \$ 0

7. Legal..... \$ 18,000

8. Project Contingency ( \_\_\_\_\_ %)..... \$ 0

9. Administration and Audit..... \$ 0

TOTAL PROJECT COST..... \$ 1,704,500

LESS INELIGIBLE FACILITIES..... \$ 0

NET PROJECT COST..... \$ 1,704,500

LESS GRANTS-IN-AID..... \$ 1,600,000

OWNERS PROJECT COST..... \$ 104,500



*Stephen J. Glodo*

DATE: February 11, 1999

FILE NO. 7340

PRELIMINARY ENGINEERING REPORT

99-154

For

WATER DISTRIBUTION SYSTEM EXPANSION

PHASE III

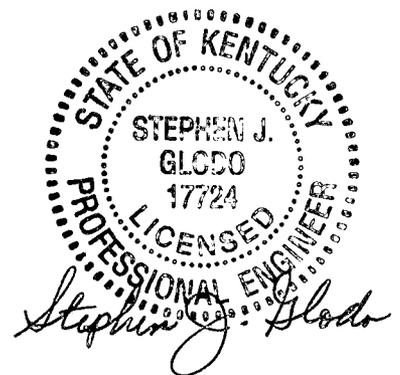
For

CALDWELL COUNTY WATER DISTRICT  
CALDWELL COUNTY, KENTUCKY

APRIL, 1997

Prepared By:

J.T. BLANKINSHIP & ASSOCIATES  
401 South 17th Street/P.O. Box 40  
Murphysboro, IL 62966  
(618) 687-1771



PRELIMINARY ENGINEERING REPORT

For

WATER DISTRIBUTION SYSTEM EXPANSION

PHASE III

CALDWELL COUNTY WATER DISTRICT  
CALDWELL COUNTY, KENTUCKY

**A. GENERAL**

The District has applied for a grant in the amount of \$ 800,000 and loan in the amount of \$ 800,000 in Federal funds for the construction of Phase III through the Rural Development Loan/Grant Program. Tap Fees would contribute an additional \$104,500 to the project funds.

**B. AREAS TO BE SERVED**

The areas to be served in Phase III include:

1. KY Rt. 672 from Trusty Road North approximately 7.9 miles.
2. Lake Beshear area approximately 5.8 miles.
3. Sandlick Road (KY Rt. 278) from KY Rt. 672 West approximately 1.5 miles.
4. Haile Road from KY Rt. 672 East approximately 1.6 miles.
5. Holmes Cook Road From KY Rt. 91 South, approximately 2.0 miles
6. Hardy Mill Road from KY Rt. 672 East and North to KY Rt. 93 approximately 3.1 miles.
7. Friendship Road from KY Rt. 672 South approximately 1.0 miles.

A layout of the proposed water main extensions and areas to be served are shown in Exhibit 1.

C. EXISTING FACILITIES

The existing water distribution and storage facilities were constructed under two projects, Phase I and Phase II A-B.

Phase I consisted of 5.6 miles of 4" PVC and 6.3 miles of 6" PVC water main, one 50,000 gallon elevated water storage tank, and one pumping station.

Phase II A-B consisted of 22.9 miles of 4" PVC, 24.5 miles of 6" PVC, and 0.7 mile of 8" PVC water main, one 100,000 gallon ground storage tank, and one pumping station.

The district also has Phase II C-D presently under construction. When completed, it will consist of approximately 4 miles of 4" PVC and 23 miles of 6" PVC water main, one 100,000 gallon elevated storage tank, and one pumping station.

The existing facilities are in good condition. It is anticipated that with routine maintenance, no major renovations will be required in the next 5 to 10 years.

The most recent budget projections show the district's annual income to be \$232,272, while expenses are expected to be \$221,266. Both the income and expenses will increase as Phase II-CD is completed and additional customers are added to the system.

The District has outstanding long term debt in revenue bonds issued in 1998 through the Kentucky Infrastructure Authority (KIA). The annual payment is \$15,920 for 20 years, through 2007. The district also has outstanding long term debts on revenue bonds through Rural Development (RD) issued in 1993 for Phase II-AB and in 1996 for Phase II-CD. The district obtained interim financing through the Kentucky Rural Water Association (KRWA) in 1996 for Phase II-CD. This interim financial debt will be paid in November, 1996. A table of the long term debt is as follows:

<u>Issue Date</u>	<u>Principal</u>	<u>Bond Holder</u>	<u>Annual Payment</u>	<u>Term</u>
1988	\$206,074	KIA	\$15,920	20 Yrs.
1993	\$410,000	RD	\$24,122	38 Yrs.
1996	\$900,000	RD	\$52,951	38 Yrs.

Therefore, an annual payment of \$92,993 will be made through the year 2008. After that time, an annual payment of \$77,073 will be made through 2031, then an annual payment of \$59,951 will be made through 2034.

Exhibit 2 provides the District Water Rate Schedule and tabulation of users by monthly usage categories including users from Phase II-CD.

**D. PROPOSED FACILITIES**

The proposed facilities of Phase III consist of the construction of approximately:

- 7,200 Ft. of 10" PVC, 29,200 Ft. of 8" PVC, and 4,500 Ft. of 6" PVC water main on KY Rt. 672 from Trusty Rd. North.
- 18,600 of 4" PVC and 12,200 Ft. of 6" PVC water main in the Lake Beshear Area.
- 3,700 Ft. of 4" PVC water main on Sandlick Road from Bald Knob Road to Old Railroad Bed Road.
- 8,270 Ft. of 4" PVC water main on Haile Road from KY Rt. 672 East.
- 16,700 Ft. of 4" PVC water main on Hardy Mill Road from KY Rt. 672 to KY Rt. 93.
- 5,160 Ft. of 4" PVC water main of Friendship Road from KY Rt. 672 South.
- 20,290 Ft. of 10" PVC water main from an existing storage tank on KY Rt. 91 along Bald Knob Road and Sandlick Road to KY Rt. 672.
- 10,600 Ft. of 4" PVC water main on Holmes Cook Road From KY Rt. 91 Southwest.

**E. COST ESTIMATES**

Project costs for Phase III are estimated as follows:

<u>Description</u>	<u>Cost Estimate</u>
Construction	\$1,216,600.00
Construction Contingency	\$ 121,700.00
A/E Design and Inspection Fees	\$ 185,000.00
Interest During Construction	\$ 117,200.00
Lands & Rights of Way	\$ 15,000.00
Legal Fees	\$ 14,000.00
Administration & Audit	\$ 8,000.00
Project Contingency	<u>\$ 27,000.00</u>
Total Project Costs	\$1,704,500.00

F

## ANNUAL OPERATING BUDGET

A breakdown of the proposed operating budget when Phase III is constructed, including 220 additional customers and using the proposed rates is as follows:

<b>A.</b>	<b>OPERATING INCOME</b>	
	Water Sales	\$407,404.00
	Bulk Water Sales	22,000.00
	Disconnect, Reconnect, Tap Fees	10,000.00
	Miscellaneous	<u>5,000.00</u>
	Total Operating Income	\$444,404.00
<b>B.</b>	<b>OPERATING &amp; MAINTENANCE EXPENSES</b>	
	Water Purchase	70,000.00
	Professional Services	9,500.00
	Office Expense & Supplies	12,000.00
	Utilities	16,500.00
	Insurance	10,000.00
	Salaries & Benefits (Include one additional employee)	90,000.00
	Maintenance & Repairs	45,000.00
	Chemicals, Testing, Tools	5,000.00
	Miscellaneous	<u>5,000.00</u>
	Total Operating Expenses	\$263,000.00
<b>C.</b>	<b>NET OPERATING INCOME</b>	\$181,404.00
<b>D.</b>	<b>DEBT REPAYMENT</b>	
	Kentucky Infrastructure Authority	\$15,920.00
	Rural Development (Phase II-AB)	24,122.00
	Rural Development (Phase II-CD)	52,951.00
	Rural Development (Phase III)	<u>46,921.00</u>
		\$139,284.00
<b>E.</b>	<b>BALANCE AVAILABLE FOR COVERAGE AND DEPRECIATION</b>	\$42,120.00

**G. CONCLUSIONS AND RECOMMENDATIONS**

Based upon the opportunities to expand the District's service area, it is recommended that the District proceed with the project, utilizing the RD grant/loan funding to complete Phase III as proposed.

**H. PROJECT COST SUMMARY**

Project Funding

RD Bonds	\$ 800,000
RD Grant	\$ 800,000
Tap Fees (220 taps x \$475)	\$ <u>104,500</u>

TOTAL PROJECT FUNDING \$1,704,500

=====

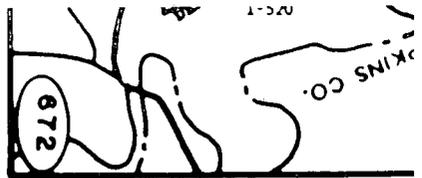
Project Costs

Lands & Rights of Way:	\$ 15,000
Construction:	\$1,216,600
Contingency (10%)	\$ 121,700
Misc. Engineering:	
Preliminary	\$ 19,000
Subsurface	\$ 6,000
Const. Layout & Test.	\$ 4,600
Add'l Services	\$ <u>6,000</u>
	\$ 35,600
Engr. Basic Fee (7.89%)	\$ 95,900
Engr. Inspection (4.38%)	\$ <u>53,500</u>
	\$ 185,000
Interest During Construction	\$ 117,200
Legal	\$ 14,000
Project Contingency (2%)	\$ 27,000
Administration and Audit	\$ <u>8,000</u>

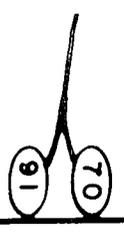
TOTAL PROJECT COSTS \$1,704,500

**EXHIBIT # 1**





NIA

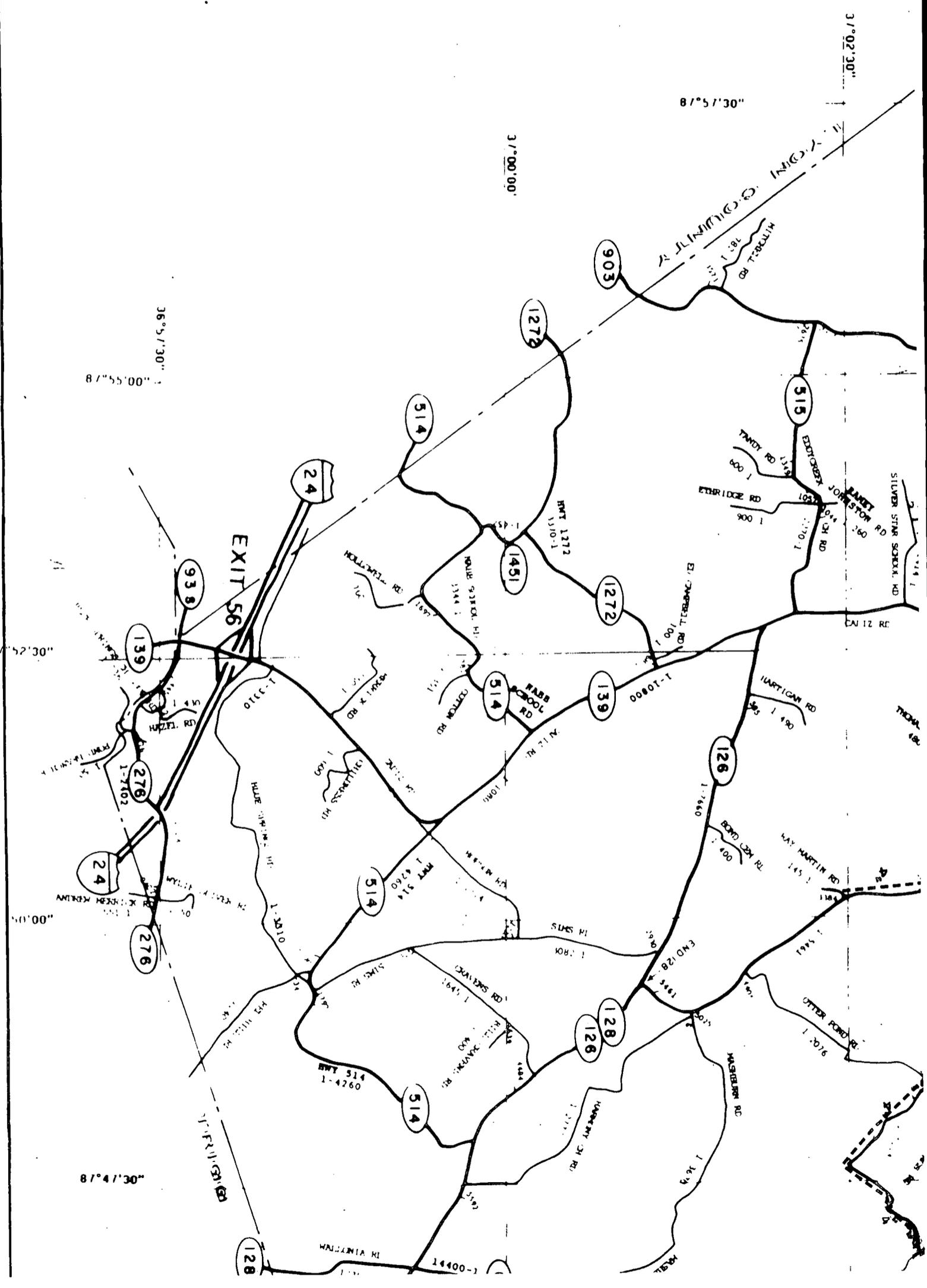


37°02'30"

87°51'30"

37°00'00"

36°57'30"  
87°55'00"



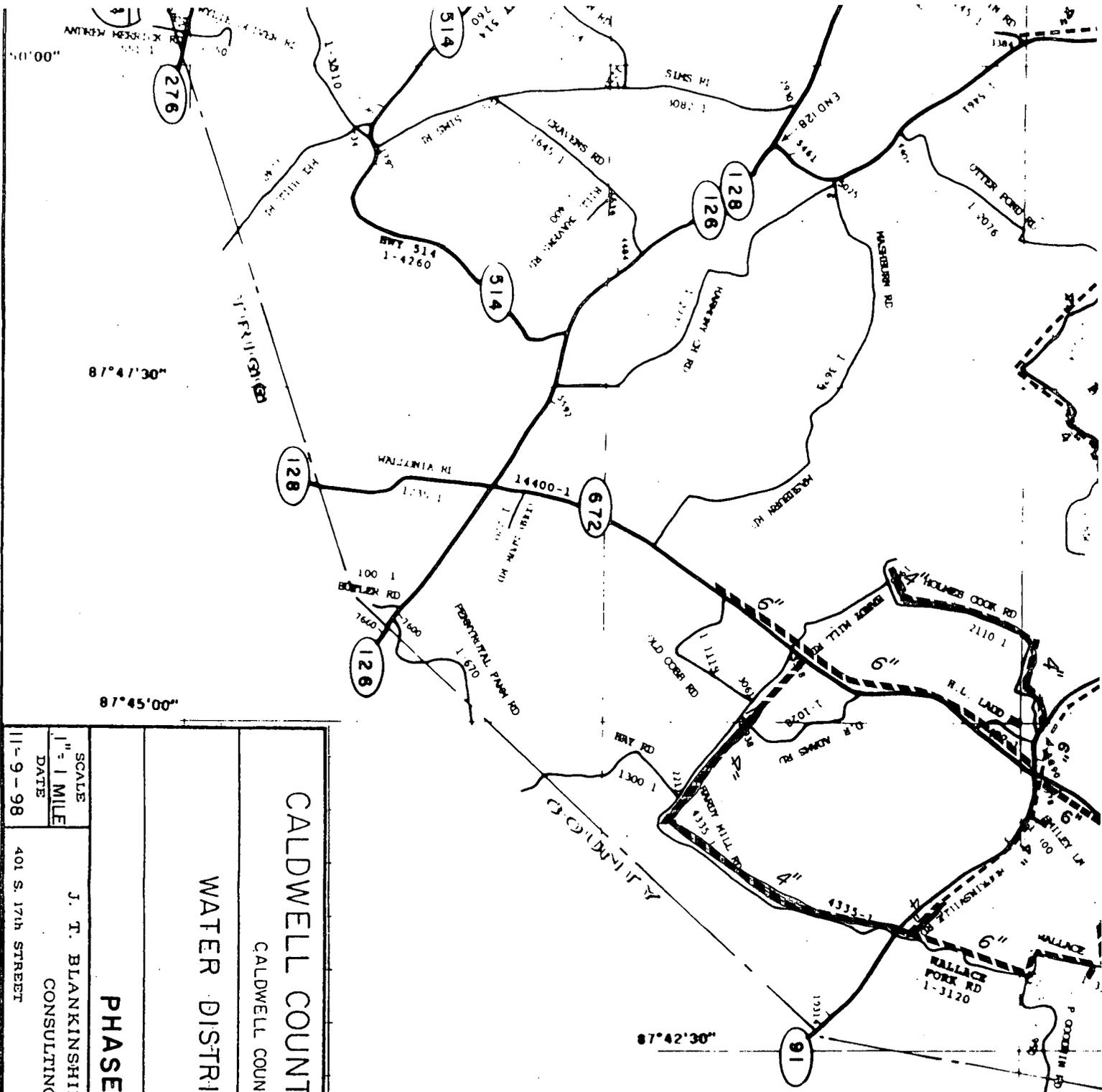
87°52'30"

37°00'00"

87°47'30"

128

14400-1



COMPILED AND DRAWN BY B. J. MAY, SMIE MADDELL & SCOTT JOHNSON FROM INFORMATION FURNISHED BY THE CALDWELL COUNTY E-911 STAFF. BASE MAP TAKEN FROM MAPS PRINTED BY KY D.O.T., U.S.G.S. AND THE CALDWELL COUNTY E-911 STAFF. THE DRAFTSMAN IS NOT RESPONSIBLE FOR THE ACCURACY OF THIS MAP OR THE INFORMATION HEREON

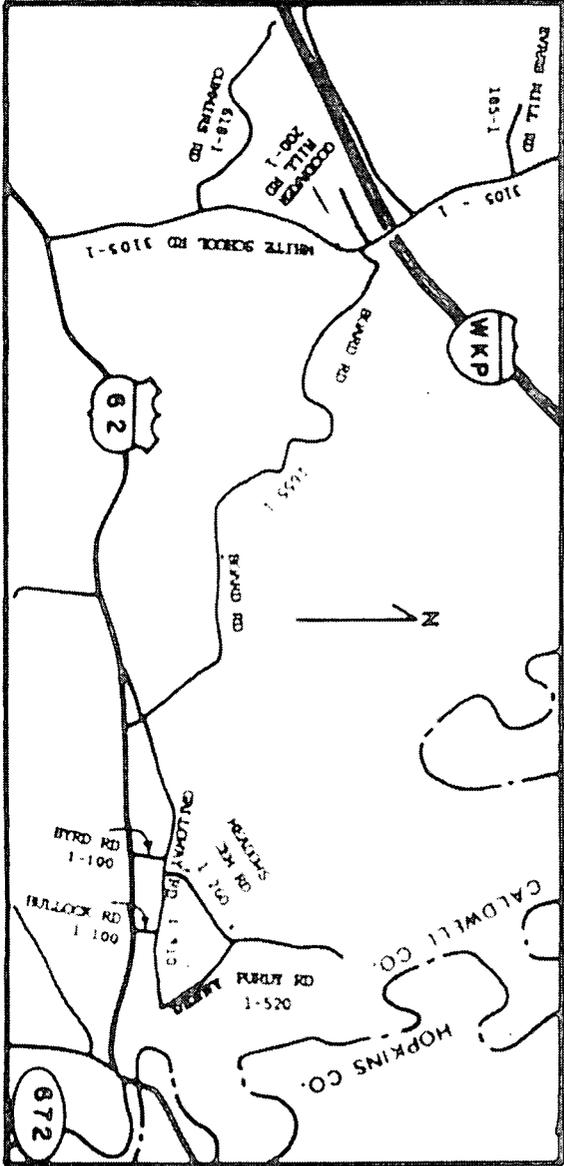
**CALDWELL COUNTY WATER DISTRICT**

CALDWELL COUNTY, KENTUCKY

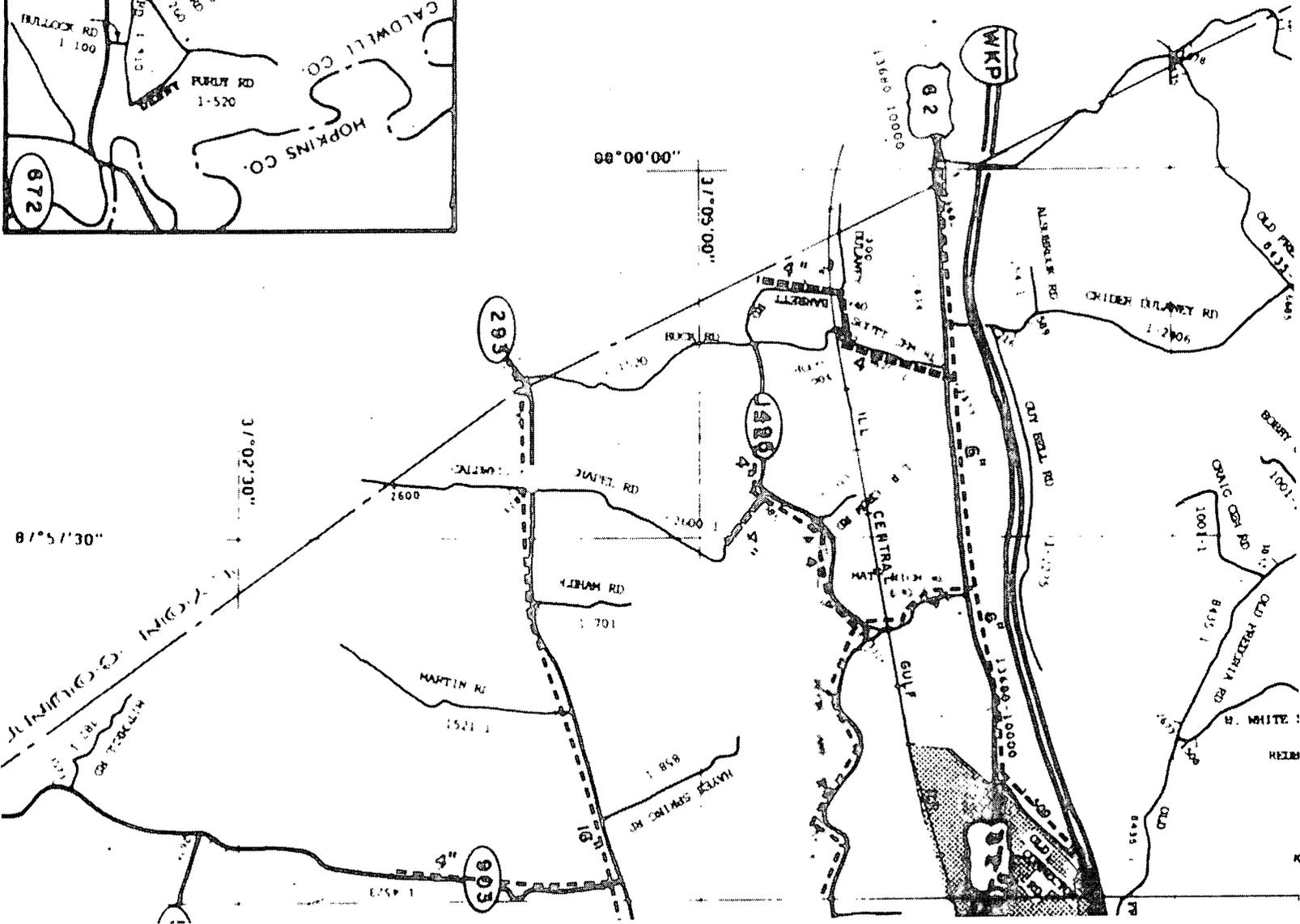
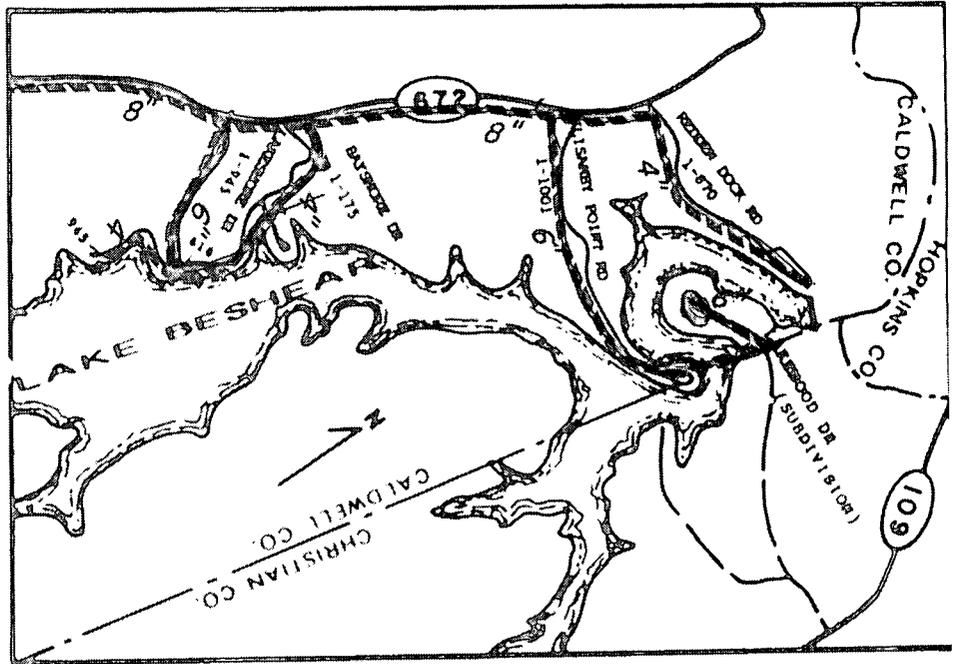
**WATER DISTRIBUTION SYSTEM**

**PHASE III**

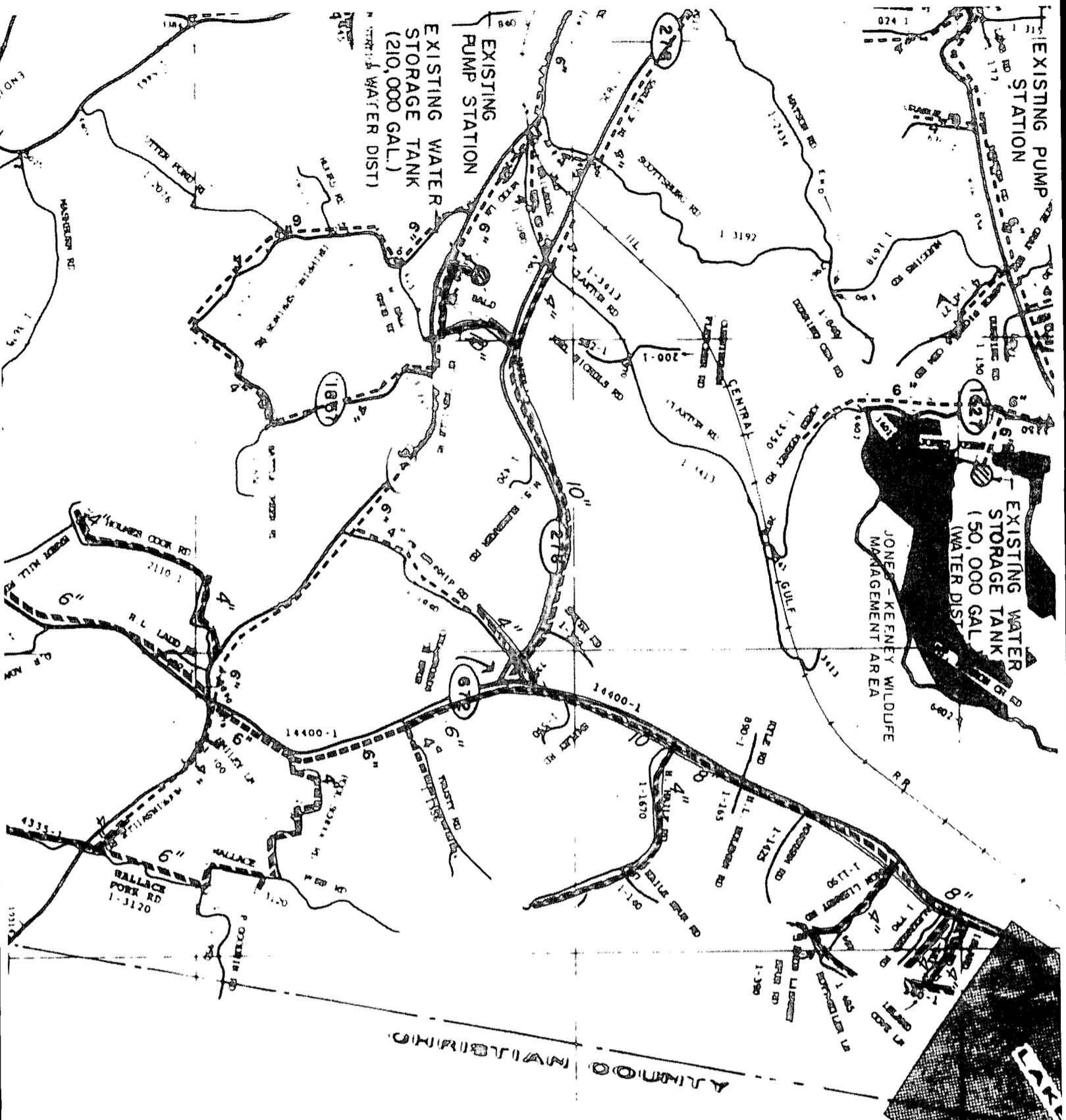
SCALE 1" = 1 MILE	J. T. BLANKINSHIP AND ASSOCIATES CONSULTING ENGINEERS 401 S. 17th STREET MURPHYSBORO, ILLINOIS	FILE NO. 7340
DATE 9-98		SHEET NO.



LAKE BESHEAR INSET







EXISTING  
PUMP STATION

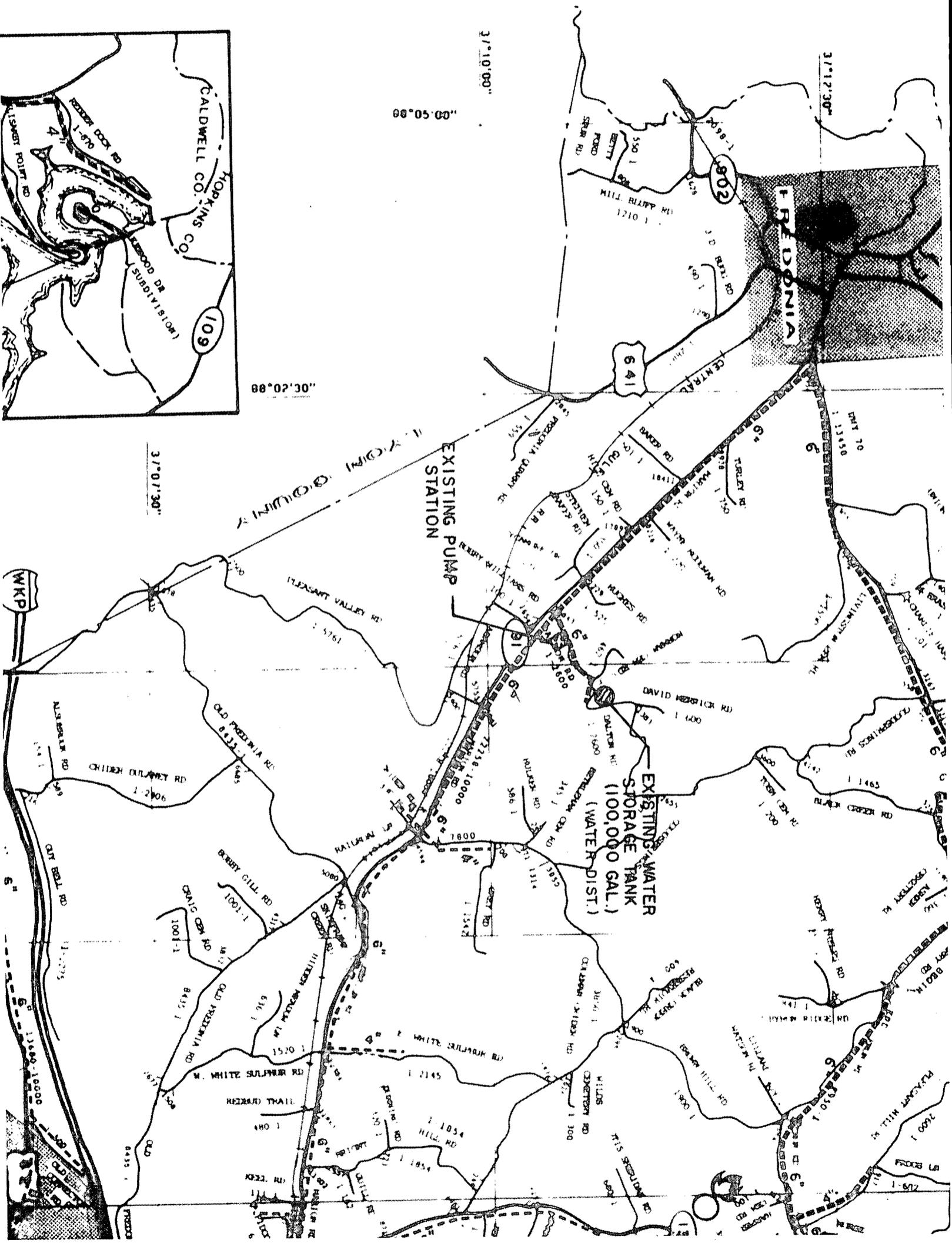
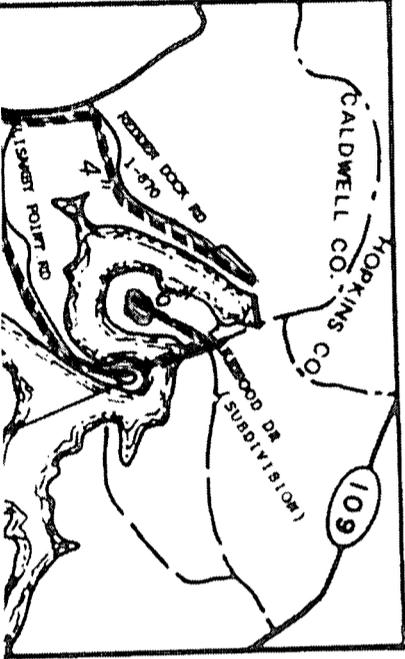
EXISTING  
WATER  
STORAGE TANK  
(210,000 GAL.)  
(WATER DIST)

EXISTING  
WATER  
STORAGE TANK  
(150,000 GAL.)  
(WATER DIST)

JONES-KENEY WILDLIFE  
MANAGEMENT AREA

ALMOND COUNTY

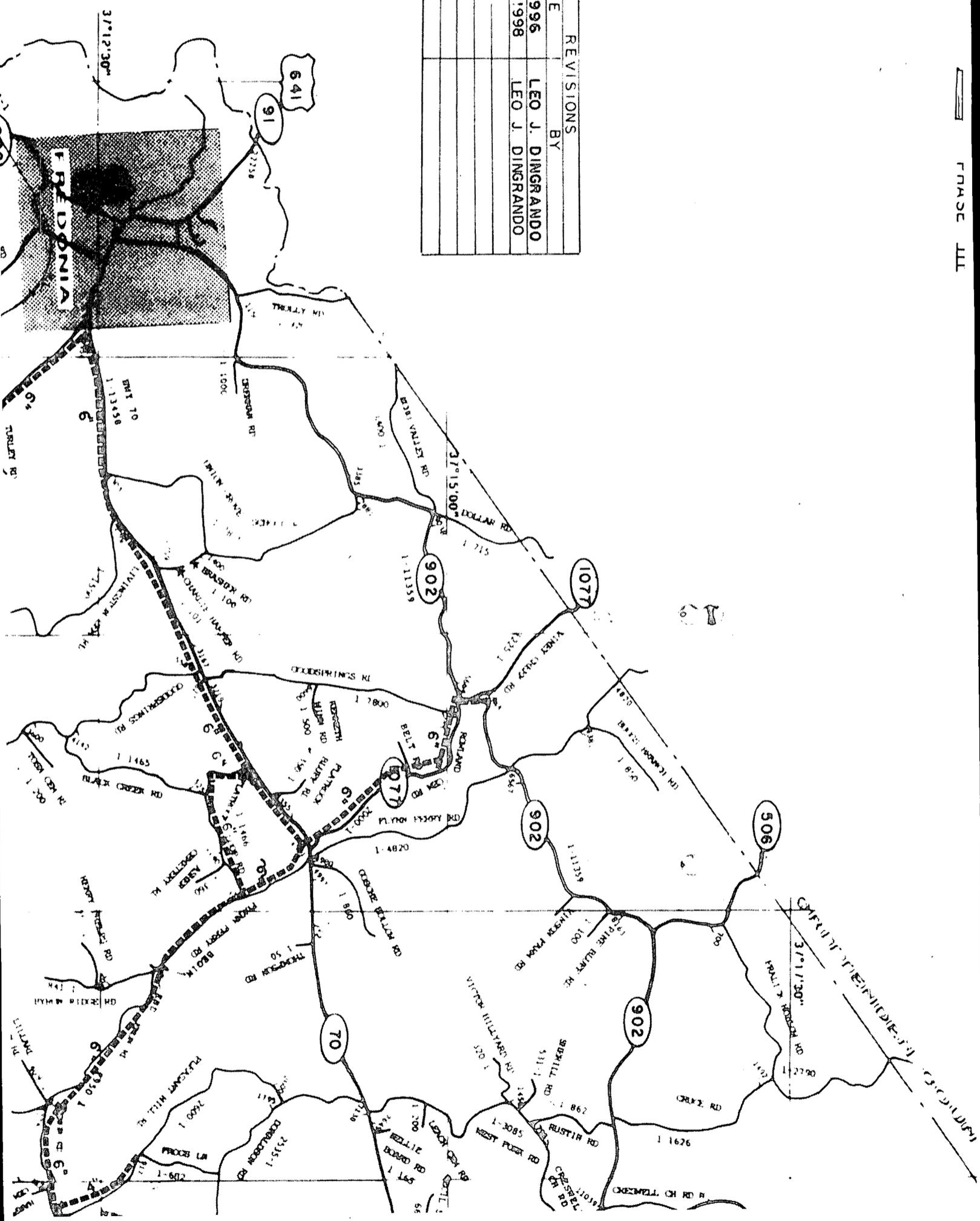
(SEE LAKE BESHEA  
INSET FOR WATER  
LINES - PHASE III )







DATE	REVISIONS BY
AUG, 1996	LEO J. DINGRANDO
NOV. 9, 1998	LEO J. DINGRANDO

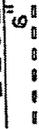
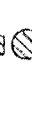






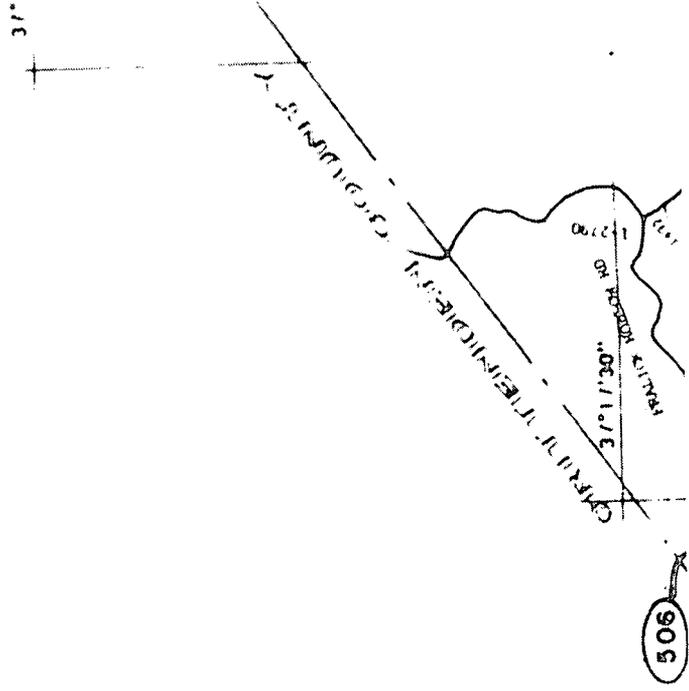
# CALDWELL COUNTY WATER DISTRICT WATER DISTRIBUTION SYSTEM

**LEGEND**

 EXISTING WATER LINE & SIZE  
 EXISTING BOOSTER PUMP STATION  
 EXISTING WATER STORAGE TANK

 PROPOSED WATER LINE & SIZE  
 PROPOSED BOOSTER PUMP STATION  
 PROPOSED WATER STORAGE TANK

 PHASE III





# CALDWELL COUNTY, KY.

## HIGHWAY MAP

-  POLICE
  -  E.M.S./HOSPITAL
  -  FIRE DEPT.
  -  U. S. HIGHWAYS
  -  STATE HIGHWAYS
  -  COUNTY ROADS
  -  COUNTY SEAT
  -  INTERSTATE - PARKWAY
- B.M.P. = Benin Measuring Point

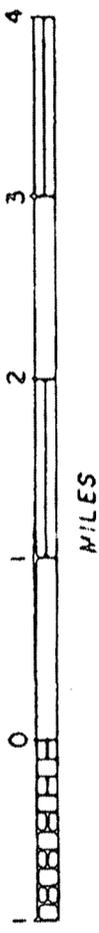


EXHIBIT # 2

EXHIBIT 2

CALDWELL COUNTY WATER DISTRICT  
PHASE III

Income Projections  
(KY Rural Development Guide Format)

**EXISTING RATES:**

All Meter Sizes:

First	1,000 Gallons	\$14.50	(Min. Bill)
Next	2,000 Gallons	\$ 6.00	per 1,000 Gallons
Next	7,000 Gallons	\$ 4.50	per 1,000 Gallons
Next	20,000 Gallons	\$ 3.00	per 1,000 Gallons
Over	30,000 Gallons	\$ 1.80	per 1,000 Gallons

**PROPOSED RATE** (Used in Calculations)

All Meter Sizes:

First	1,000 Gallons	\$16.50	(Min. Bill)
Next	3,000 Gallons	\$ 7.75	per 1,000 Gallons
Next	6,000 Gallons	\$ 6.00	per 1,000 Gallons
Next	20,000 Gallons	\$ 4.25	per 1,000 Gallons
Over	30,000 Gallons	\$ 3.50	per 1,000 Gallons

**PURCHASE COST:**

\$1.14/1000 Gallons

EXHIBIT # 3

EXHIBIT 3  
 CALDWELL COUNTY WATER DISTRICT  
 PHASE III

Forecast of Water Usage/Income  
Existing Users & Phase III

Existing Users            770  
 Phase III                 220  
 Total Customers         990

Note: No Non-Residential users in the  
 District. All users are Residential.

<u>Meter Size</u>	<u>Ave. Use</u>	<u>Ave. Rate</u>	<u>Residential # of Users</u>	<u>Usage/1000</u>	<u>Income</u>
(Min.)	1,000	16.50	130	130	2,145.00
	1,500	20.38	229	343.5	4,665.88
	2,500	28.13	160	400	4,500.00
	3,500	35.88	150	525	5,381.25
	4,500	42.75	122	549	5,215.50
	5,500	48.75	71	390.5	3,461.25
	6,500	54.75	42	273	2,299.50
	7,500	60.75	27	202.5	1,640.25
	8,500	66.75	19	161.5	1,268.25
	9,500	72.75	15	142.5	1,091.25
	10,500	77.88	7	73.5	545.13
	11,500	82.13	9	103.5	739.17
	12,500	86.38	3	37.5	259.14
	13,500	90.63	1	13.5	90.63
	14,500	94.88	2	29	189.76
	15,500	99.13	0	0	0.00
	16,500	103.38	0	0	0.00
	17,500	107.63	0	0	0.00
	18,500	111.88	0	0	0.00
	19,500	116.13	0	0	0.00
	24,500	137.38	1	24.5	137.38
	28,500	156.50	1	28.5	156.50
	32,500	164.50	<u>1</u>	<u>32.5</u>	<u>164.50</u>
Totals:			990	3,460.0	\$33,950.34

Annual Revenues =            \$407,404.00